

Illinois/RTO Resource Adequacy Opportunities



John Moore
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Sustainable **FERC** Project

Creating Policies for a Cleaner, More Efficient Transmission Grid



Pessimist?

- Illinois split between two RTOs with different markets and governance structures, many stakeholder meetings in distant lands.
- Different approaches to long-term resource adequacy.
- Weak DR and EE in MISO, some concerns in PJM.
- Numerous seams and few/no interregional projects.

Or Optimist?

- Orders 890 and 1000 require alignment of RTO planning with state resource and public policy priorities.
- An increasingly visible Demand Side – strong demand response and energy efficiency; Smart Grid gaining traction – clean and consumer-friendly.
- Major wind and solar resources/standards in Illinois and the Midwest.
- More natural gas supply.
- MATS compliance on track with very few out-of-market payments in either PJM or MISO to date.

Assuring Just and Reasonable Rates

- Use Non-Transmission Alternatives in Planning.
 - State-regulated DR and EE can help address MISO-identified Tx/distribution reliability and other needs – use smart grid improvements, PRD, etc. (Order 890).
 - MISO and PJM – assure that all EE is reflected in the load forecast.
- Maximize Demand Response and EE in Markets.
 - MISO – very little DR in the energy and ancillary services markets.
 - PJM capacity market – concerned about over-restricting DR; need more EE (storage looking good).

Assuring Just and Reasonable Rates

- Strengthen Interregional Planning and Improve Cost Allocation.
 - Align planning and cost allocation, develop other best practices to improve state and regional resource adequacy.
 - Wind is a growing, and economic, resource – see PJM/GE draft wind study - 100,000 MW of wind and solar energy resources can be integrated into PJM grid at lower overall cost.
- Meet Environmental Compliance Standards.
 - Successful with Illinois mercury and MATS compliance.
 - EE and DR coupled with Smart Grid will help with carbon standard compliance.

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